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[REDACTED]
Services Division
European Satellite Committee

Meeting of 3 December 1958

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Present: [REDACTED] S/TR. [REDACTED] S/TR; 25X1A9a
[REDACTED] A/E; [REDACTED] M/PM; 25X1A9a
[REDACTED] M/NF. [REDACTED]

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[REDACTED] S/TR, discussed a paper he has just written on coordination and standardization of rail transportation in the Sino-Soviet Bloc.

With the desire of the Soviets to create an "economic area" within the Sino-Soviet Bloc, it became necessary to coordinate transportation, particularly for intra-Bloc trade. In order to do this in rail transport, an organization was set up in 1951 called the BUD (Byuro Upravleniya Dorog) which administered an agreement governing international rail freight and passenger traffic among the participating countries: Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Rumania, and the USSR. In 1953 China, North Korea, and Mongolia joined the agreement, and in 1955 North Vietnam joined. The BUD has been succeeded by the OSShD (Organization for the Cooperation of Socialist Railroads), and the latter has supranational legal authority to regulate and control international traffic.

The establishment of the organization mentioned above and the authority vested therein has frequently been referred to as a unique accomplishment for which communistic government may take credit where capitalism has failed. Such is not the case. In fact the basic principles of the organization are identical to the principles adopted by the Western European countries as early as 1892. In fact, the Bloc agreement for regulating international transport of goods and passengers by rail is nothing more than a copy of agreements which have existed in all of Europe for many years---with minor revisions. The OSShD is unique only in the sense that a single organization has been given authority to impose upon members by law that which has been adopted by mutual consent based on experience, common sense, and good judgment in other countries.

Various committees of the OSShD are attacking problems of standardization: track clearance must correspond with clearances in the USSR; a standard axle pressure minimum for track has been adopted; new freight car construction must conform to minimum standards of capacity, brake equipment, interchangeability of spare parts, etc.

There has also been standard documentation for any international shipment, so that no freight forwarder is needed at the borders. Uniform tariffs were set up for transiting a country, although the domestic rates in the country of origin and destination would still be in effect.

Although the OSShD does not appear to be influenced by the Warsaw Pact, it is conceivable that in time of war, the entire system could be integrated under a single unified military command.

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On 10 December, [REDACTED] S/TF, will talk to the Committee on Soviet Loans and Credits to the Satellites. The discussion will be classified SECRET. The meeting will be held at 1500 instead of the usual time, and the place will be Room 1121 M Building.



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Secretary